

LNF & IHCIF Calculations Illustration

- NORTHERN PONCA in Aberdeen area -

Given Data

- 1,594 = 1998 user count
- \$2,980 = National average cost per person (not including wrap-around costs)
- 90% = % Expenditures on purchased services, 10% = % expenditures in-house
- 100.6% = Cost index for purchasing health care in this geographic area
- 129.1% = Size cost index for in-house costs due to small or large size
- 108.7% = Aberdeen area cost index for health status above or below average

Cost Adjustment Calculations

- \$2,698 per person for purchased services = $90\% * 100.6\% * \$2,980$
- \$385 per person for in-house services = $10\% * 129.1\% * \$2,980$
- \$3,083 per person total = \$2,698 (purchase) + \$385 (in-house)
- **\$3,352 per person total** adjusted for health status = $\$3,083 * 108.7\%$
- **\$2,607 per person net cost** = $\$3,352 - \745 Other resources (M&M&PI)

Existing Expenditures (for 1,594 users excluding wrap-around and collections)

- \$1,661 per person = local IHS allowance (excludes \$ for wrap-around)
- \$213 per person = expenditures elsewhere in Aberdeen area on behalf of area users
- \$54 per person = expenditures elsewhere in IHS on behalf of IHS users
- **\$1,928 per person for OU users** = $\$1,661 + \$213 + \$54$

LNF Calculation

- **57.5% Gross LNF** = $\$1,928$ (expenditures) / $\$3,352$ total cost (ignoring Medicare, Medicaid, PI spending on behalf of OU users)
- **74.0% Net LNF** = $\$1,928 / \$2,607$ net cost ($\$3,352 - \745 other)

IHCIF Allocation

- \$0 = \$ to raise LNF% from 74.0% to 60%
- \$258,040,100 = aggregate \$ to raise all locations to 60%
- 3.488% IHCIF fraction = $\$9,000,000$ fund / $\$258,040,100$ needed
- **\$0 Allocation** = \$0 needed for 60% * 3.488% IHCIF fraction

NORTHERN PONCA Unmet Needs

- **\$4,155,398 Net Total Need** = 1,594 users * \$2,607 net cost
- **\$1,082,083 Net Unmet Need** = $(100\% - 74.0\% \text{ LNF}) * 1,594 \text{ users} * \$2,607 \text{ net cost}$